

**Special Joint meeting with Government Accountability and Oversight and Budget
Wednesday, May 12, 2010
4:00 P.M.
Third Floor, City Hall**

Present: Chairman: CM Ward-Pugh
Members: CM King, CM Kramer, CM Downard, CM Tandy and CM Henderson

Absent: CM Fleming

Present:	Chairman: CM King
	Vice Chair: CM Downard
	Members: CM Kramer, CM Green CM Woolridge, CM Hamilton, CM Blackwell, CM Welch and CM Heiner
Also Present:	CM Flood
Absent:	CM Fleming

Special Items For Discussion - Administrations response to the 2009 State Auditor's finding

- Financial Audit – Collectively comprises Metro Government basic Financial Statements
- A 133 Audit – Federal programs – mandated by the Government
- Departments Responsibilities
 - General Accounting
 - Grants Management
 - Financial reporting
 - Payroll
 - Insurance and risk management
 - Budget
 - Accounts payable
 - Cash investment and debt management
 - Revenue collection
 - Open records management
 - Procurement
- Monitor transactions of 12 major departments with multiple divisions and several related agencies on an annual basis
 - Process over 108,000 invoices
 - Issue over 50,000 checks
 - Process payroll for over 6,000 employees
 - 13 Unions
 - 26 Collective Bargaining Units
 - Annual expenditure level of over \$400,000,000
- Process 12,000 Journals
- Over 1,000 travel authorizations

- Monitor 22 Bank Accounts and 32 Trust Accounts on a monthly basis
- Invest \$86,000,000 Active management
- Invest \$80,000,000 Longer Term
- Issue approximately 350 bids
- Monitor 500 contracts on an annual basis
- Collect \$500,000,000 in revenue
- Administer 2 Self Insurance Trusts that handle on average 2,700 claims for Workers, Comp Auto Liability, General Liability
- Monitor 280 Federal Grants and 40 State Grants
- Process for new Accounting Standard
- Fund Balance reporting
- Training
- Reporting
- No funding was missing
- Annual Audits each year
- Routine Internal Audits yearly
 - Procurement
 - Payroll
 - Payables
 - Budget
 - Accounting
 - Revenue Collection
- The IRS also audits Revenue Collection process
- Bond rating agencies looks at Metro's financial practices
- Corrective Action Plan – Attached
 - Working with all affected departments
 - Housing Family Services Department is making progress since 2008 Audit
 - Out of 50 findings, 22 are fully resolved; 21 are currently being resolved; 7 categorized as partially resolved at that time
 - Coding Housing and Family Services employed under correct grants
 - 180 specific action steps
 - 100 already completed
 - Initiated action on remaining steps
 - Additional training for Business Managers and Department Directors
 - New procedures for cash handling in Corrections
 - Computer tracking date base with bar code scanning for animal inventory in Animal Services
 - Task Force within The Office of Management and Budget
 - Record and recognizing revenues
 - Revenue recognition
 - Accrued and deferred revenue
 - Exchange transaction
 - Non exchange transactions
 - Train Departments in changes in financial reporting
 - Deferred Revenue Funding
 - Special Revenue Funding
 - No found money
 - General Funding
 - Cannot expend grant funds for ineligible activities
 - Revenue recognition had no impact on Collective Bargaining
 - Budgetary Carry Forward Funds
 - Time frames for response for the Audit Comments
 - Accrued Deferred Revenue
 - Audit Adjustments
 - Capitalization African American Heritage Center
 - Receivables booked for FEMA receipts
 - Structural changes
 - Create an Internal Compliance and Accountability Team
 - Comprehensive training sessions

- Resources
 - Research system from the Governmental Accounting Standard Board – Electronic data system
 - Attend Annual GFOA Conferences
 - Participate in Local Government Accounting Seminars
 - Direct access to GASBY staff
 - Business Managers responsibilities
- Summary
 - No funds were missing
 - General Fund received a Clean Audit Opinion
 - Embraced the APA's recommendations and are moving forward with financial improvements
 - Several Action Plans were ongoing prior to the release of the Audit
 - Taking measures regarding the central support functions relating to financial reporting and agencies
 - We remain financially sound government
- Action Plan - 182 actions
 - 101 completed or implemented
 - 66 completed
 - 35 implemented
 - 81 Initiated
- Corrections
 - Poor controls of cash receipts
 - Inmate Fund and the ability to distinguish the sources
 - Collection of Booking Fees
 - Controls need to be strengthened and improved
 - Internal Controls
 - Cross Training
 - Segregation of duties has been corrected
 - Changes in organization in the Corrections' Business Office
 - Revenue recognition
- Training, education, and requirements of Business Managers
- Assessment of skill sets in agencies
- Structural changes
- Fresh look at job description from an outside source
- Having a full time Compliance Team
- Try to collect more revenues
- Tracking revenues
- New leadership in Animal Services and Corrections

Doug Hamilton, Emergency Management, spoke relating to FEMA disputes regarding debris removal.

The following was also discussed:

- Purchasing deficiencies
- Recommendations are taken seriously
- Are moving forward in many areas
- Put resources toward turning issues around
- Technology solutions are being put into many agencies to make them more efficient and have better tracking
- Reorganizations and staff changes
- Seeking outside help from GFOA, and GASBY to insure the changes are made in the appropriate way
- Putting together a Compliance Team
- Revamping the procurement policy
- The Mayor is supportive of the Corrective Action Plan

Without objection the Meeting adjourned at 5:35 P.M.

KQG